

CS FOR HOUSE BILL NO. 434(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/6/96

Referred: Labor and Commerce, Judiciary

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to unclaimed property; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 34.45.200(e) is repealed and reenacted to read:

4 (e) Stock or other intangible ownership interest enrolled in a plan that provides
5 for the automatic reinvestment of dividends, distributions, or other money payable as a
6 result of the interest is presumed abandoned if the owner has not communicated

7 (1) in a manner described in (a) of this section; or

8 (2) within seven years after

9 (A) the date of the second mailing of a statement of account or
10 other notification or communication that was returned as undeliverable; or

11 (B) the holder discontinued mailings, notifications, or
12 communications to the apparent owner.

13 * **Sec. 2.** AS 34.45.280(b) is amended to read:

14 (b) The report must be verified and must include

15 (1) except with respect to traveler's checks and money orders, the name,

1 if known, and last known address, if any, of each person appearing from the records of
2 the holder to be the owner of property, the value of which is \$100 [\$25] or more,
3 presumed abandoned under AS 34.45.110 - 34.45.430 and other statutes specifically
4 made subject to this reporting requirement;

5 (2) in the case of unclaimed money amounting to \$100 [\$50] or more,
6 held or owing under a life or endowment insurance policy or annuity contract, the full
7 name and last known address of the insured or annuitant and of the beneficiary or other
8 person who is entitled to the proceeds according to the records of the insurance company
9 holding or owing the funds;

10 (3) in the case of the contents of a safe deposit box or other safekeeping
11 repository or of other tangible personal property, a description of the property and the
12 place where it is held and may be inspected by the department, and any amounts owing
13 to the holder;

14 (4) the nature and identifying number, if any, or description of the
15 property and the amount appearing from the records to be due; items of value under
16 \$100 [\$25] each may be reported in the aggregate;

17 (5) the date the property became payable, demandable, or returnable, and
18 the date of the last transaction with the apparent owner with respect to the property; and

19 (6) other information that the department prescribes by regulation as
20 necessary for the administration of this chapter.

21 * **Sec. 3.** AS 34.45.280(d) is amended to read:

22 (d) The report required under (a) of this section shall be filed before November 1
23 of each year for unclaimed property held as of June 30 of that year [, BUT THE
24 REPORT OF A LIFE INSURANCE COMPANY SHALL BE FILED BEFORE MAY 1
25 OF EACH YEAR FOR UNCLAIMED PROPERTY HELD AS OF DECEMBER 31 OF
26 THE PRECEDING YEAR]. On written request by a person required to file a report, the
27 commissioner may postpone the reporting date.

28 * **Sec. 4.** AS 34.45.280(e) is amended to read:

29 (e) Not more than 120 days before filing the report required by this section, the
30 holder in possession of property presumed abandoned and subject to custody as
31 unclaimed property under AS 34.45.110 - 34.45.430 shall send written notice to the
32 apparent owner at the owner's last known address informing the owner that the holder

1 is in possession of property subject to this chapter if

2 (1) the holder has in its records an address for the apparent owner that
3 the holder believes to be accurate;

4 (2) the claim of the apparent owner is not barred by the statute of
5 limitations; and

6 (3) the property has a value of \$100 [\$50] or more.

7 * **Sec. 5.** AS 34.45.310(a) is amended to read:

8 (a) The department shall publish a notice not later than the **June 30** [MARCH 1]
9 following the submission of the report required by AS 34.45.280 [, OR IN THE CASE
10 OF PROPERTY REPORTED BY LIFE INSURANCE COMPANIES, NOT LATER
11 THAN THE SEPTEMBER 1 FOLLOWING THE SUBMISSION OF THE REPORT].

12 The notice shall be published [AT LEAST ONCE A WEEK FOR TWO
13 CONSECUTIVE WEEKS] in a newspaper of general circulation in the area of the state
14 in which the last known address of a person to be named in the notice is located. If no
15 address is listed or the address is outside the state, the notice shall be published in a
16 newspaper of general circulation in the area in which the holder of property has its
17 principal place of business in the state.

18 * **Sec. 6.** AS 34.45.310(b) is amended to read:

19 (b) The published notice must be entitled "Notice of Names of Persons
20 Appearing to be Owners of Abandoned Property" and must contain

21 (1) the names, in alphabetical order, [AND LAST KNOWN ADDRESS,
22 IF ANY,] of persons listed in the reports and entitled to notice within the area as
23 specified in (a) of this section; **and**

24 (2) a statement that information concerning the property [AND THE
25 NAME AND LAST KNOWN ADDRESS OF THE HOLDER] may be obtained by
26 addressing an inquiry to the department [; AND

27 (3) A STATEMENT THAT IF PROOF OF CLAIM IS NOT
28 PRESENTED BY THE OWNER TO THE HOLDER, AND THE OWNER'S RIGHT
29 TO RECEIVE THE PROPERTY IS NOT ESTABLISHED TO THE HOLDER'S
30 SATISFACTION BEFORE APRIL 20 OF THE YEAR OF PUBLICATION, OR, IN
31 THE CASE OF PROPERTY REPORTED BY A LIFE INSURANCE COMPANY,
32 BEFORE OCTOBER 20, THE PROPERTY WILL BE PLACED NOT LATER THAN

1 MAY 1 OF THAT YEAR, OR IN THE CASE OF PROPERTY REPORTED BY A
2 LIFE INSURANCE COMPANY, NOT LATER THAN NOVEMBER 1, IN THE
3 CUSTODY OF THE DEPARTMENT AND ALL FURTHER CLAIMS SHALL BE
4 DIRECTED TO THE DEPARTMENT AFTER THAT PLACEMENT].

5 * **Sec. 7.** AS 34.45.310(c) is amended to read:

6 (c) The department is not required to publish in the notice an item of less than
7 **\$100** [\$50] in value unless the department considers the publication of the item to be in
8 the public interest.

9 * **Sec. 8.** AS 34.45.320(a) is amended to read:

10 (a) Except as otherwise provided in (b) [AND (c)] of this section, a person who
11 is required to file a report under AS 34.45.280, shall, **at the time of** [WITHIN SIX
12 MONTHS AFTER THE FINAL DATE FOR] filing the report under that section, pay
13 or deliver to the **administrator all of the property shown on the report and**
14 **remaining unclaimed by the apparent owner. Upon written request showing good**
15 **cause, the administrator may postpone the payment or delivery upon the terms or**
16 **conditions the administrator considers necessary and appropriate. The property**
17 **paid or delivered to the administrator must include all interest, dividends,**
18 **increments, and accretions due, payable, or distributable on the property at the**
19 **time of filing the report. If payment or delivery is postponed, the property paid or**
20 **delivered to the administrator must include all interest, dividends, increments, and**
21 **accretions due, payable, or distributable on the day that the property is paid or**
22 **delivered to the administrator** [DEPARTMENT ALL ABANDONED PROPERTY
23 REQUIRED TO BE REPORTED].

24 * **Sec. 9.** AS 34.45.700 is repealed and reenacted to read:

25 Sec. 34.45.700. AGREEMENT TO LOCATE REPORTED PROPERTY. (a)
26 An agreement to pay compensation to locate, deliver, recover, or assist in the recovery
27 of property reported under AS 34.45.280 while in the possession of a holder is
28 unenforceable if made

29 (1) before the date payment or delivery is made under AS 34.45.320;

30 or

31 (2) within 24 months after the date payment or delivery is made under

32 AS 34.45.320.

1 (b) An agreement executed after the 24-month period is enforceable only if
2 (1) the fee or compensation is not more than 10 percent of the value of
3 the property; and
4 (2) the agreement is in writing, signed by the apparent owner, does not
5 exceed six months, and specifies the fees to be charged, nature and value of the property,
6 and the value of the apparent owner's share after the fee or compensation is deducted.
7 (c) This section does not preclude an owner from asserting that an agreement to
8 locate property is otherwise invalid.

9 * **Sec. 10.** AS 34.45.760(3) is amended to read:

10 (3) "business association" means a nonpublic corporation, joint stock
11 company, investment company, business trust, **mutual fund, joint venture, limited**
12 **liability company,** partnership, or association for business purposes **or other business**
13 **entity of one** [TWO] or more individuals, whether or not for profit, including a banking
14 organization, financial organization, insurance company, or utility;

15 * **Sec. 11.** AS 34.45.760(10) is amended to read:

16 (10) "intangible property"
17 (A) includes
18 (i) money, checks, drafts, **warrants,** deposits, interest,
19 dividends, and income;
20 (ii) credit balances, customer overpayments, gift
21 certificates, security deposits, refunds, credit memos, unpaid wages, and
22 unidentified remittances;
23 (iii) stocks and other intangible ownership interests in
24 business associations;
25 (iv) money deposited to redeem stocks, bonds, coupons,
26 and other securities, or to make distributions;
27 (v) amounts due and payable under the terms of insurance
28 policies; and
29 (vi) amounts distributable from a trust or custodial fund
30 established under a plan to provide health, welfare, pension, vacation,
31 severance, retirement, death, stock purchase, profit-sharing, employee
32 savings, supplemental unemployment insurance, or similar benefits;

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(B) does not include

(i) unused airline tickets;

(ii) shares of stock issued by a corporation organized under 43 U.S.C. 1601 - 1629a (Alaska Native Claims Settlement Act) or unclaimed dividends payable on the shares of stock; or

(iii) overpaid contributions by employers to the unemployment compensation fund under AS 23.20.130;

* **Sec. 12.** AS 34.45.310(d), 34.45.310(e), and 34.45.320(c) are repealed.

* **Sec. 13.** This Act takes effect July 1, 1996.